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Gap between Wages and Rents Severe in Georgia and Metro Atlanta

In order to afford a modest, two-bedroom apartment at the HUD-determined Fair Market Rent and utilities of \$949/mo. in metro Atlanta, renters need to earn \$18.25 per hour. This is Metro Atlanta's 2016 Housing Wage, revealed in a national report released today. The report, *Out of Reach* 2016, was jointly released by the National Low Income Housing Coalition, a Washington, DC-based research and advocacy organization, and Georgia ACT, a statewide membership organization of housing and community development organizations. Every year, *Out of Reach* reports on the Housing Wage for all states, counties, and metropolitan areas in the country. The report highlights the gap between what renters earn and what it costs to afford rent at fair market value.

"Georgia ACT's member groups work tirelessly to advocate for, build and rehab properties that are affordable to many of the state's residents of modest and fixed incomes. More support for affordable housing is obviously needed from our elected officials, financial institutions and philanthropy," commented Kate Little, President and CEO of the statewide organization. She noted that "In many counties of the metro Atlanta region, affordable apartment complexes and small but solid houses are being torn down to make way for luxury housing and more retail, while the average wage-earner is priced out."

The federal minimum wage has remained at \$7.25 an hour without an increase since 2009, generating debate and calls to raise the wage both at the state and federal level. In no state, even those where the minimum wage has been set above the federal standard, can a minimum wage renter working a 40 hour work week afford a two-bedroom rental unit at the average Fair Market Rent. Working Georgia's minimum wage of \$7.25/hr., a family must have 2 ½ wage earners working full-time, or one full-time earner working more than 90 hrs. /week to afford a modest two-bedroom apartment in metro Atlanta!

In response to rents being out of reach, Georgia ACT member group, the University Community Development Corporation (UCDC), recently completed work on a 12 unit apartment building in the West View Community acquired with federal Neighborhood Stabilization Program (NSP) funds. The building is located across from Kipp Strive Academy and near the West Side Beltline trail and is leased to residents with incomes at or below 80% of the area median income (roughly \$54,000). Rents there are \$600 – \$675 for a 2-BR unit, making them affordable to many working families. The interim Executive Director of UCDC, Ms. Rita Gibson, (404-572-3643 Email: rgibson-ucdc@aucenter.edu) said that funding for the organization to acquire and develop multifamily units in the AUC community for workforce housing continues to be challenging.

Another Georgia ACT member group, Peoplestown Revitalization Corporation's (PRC), produces housing affordable to current residents of Peoplestown, located just south of the Turner Stadium. PRC has partnered with developers, such as the Integral Group and Columbia Residential, to bring more than 300 high quality affordable homes to Peoplestown. "After all our hard work over the years, we see that current residents are being pushed out by rising rents" said Mr. Columbus Ward, President of the organization. "This work needs even more support now, especially with the redevelopment planned around Turner Field," stated Mr. Ward.

To make housing more affordable to a range of people, Georgia ACT member groups must use grants, government housing programs, low-interest loans from socially concerned investors, and volunteer labor to build, rehab and manage the properties. "This is a herculean effort and much more support for it is needed than we currently have in Georgia," stated Ms. Little. The "Out of Reach" report's statistics bear her out.

In addition to building and rehabbing properties, Georgia ACT member groups advocate for more favorable housing policies at the local, state and federal level. The groups' efforts contributed to passage of an inclusionary housing ordinance in the City of Atlanta earlier in May. The ordinance requires private developments benefitting from any government subsidy to set aside units that are affordable to a 4-person household with income as low as \$40,500. "This type of ordinance is needed in all counties of the Metro Atlanta region in order to address the crisis of rents being so out of reach for the average person and family," asserted Ms. Little.

"The *Out of Reach* data reflect a grim reality across the nation. There is no place in the United States where a minimum wage worker can afford a two-bedroom apartment," said Diane Yentel, President and CEO of the National Low Income Housing Coalition. "We as a nation must respond by investing in affordable housing for the lowest income households in America. The new national Housing Trust Fund is one solution, but it will require many more resources to address the need." **For a look at the full report, visit: <http://www.nlihc.org/oor>**